

KYRGYZSTAN

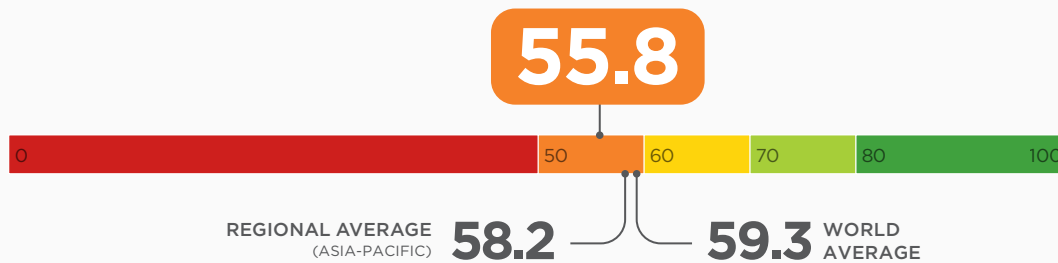
The Kyrgyz Republic's economic freedom score is 55.8, making its economy the 115th freest in the 2023 *Index*. Its score is the same as last year. The Kyrgyz Republic is ranked 25th out of 39 countries in the Asia-Pacific region, and its overall score is below the world and regional averages.

The Kyrgyz Republic's transition to a more market-driven economy is still a work in progress. Despite the implementation of reform measures, overall improvement in the entrepreneurial environment has been slow and uneven. Policies needed to support open markets remain deficient, and corruption undermines the rule of law.

WORLD RANK: **115** | REGIONAL RANK: **25**

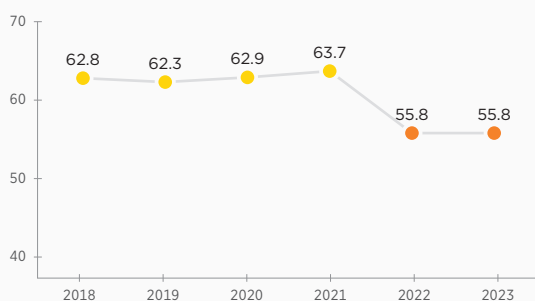
ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1998): +4.0

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
6.7 million

GDP (PPP):
\$35.3 billion
3.7% growth in 2021
5-year compound annual growth 1.6%

UNEMPLOYMENT:
5.8%

INFLATION (CPI):
11.9%

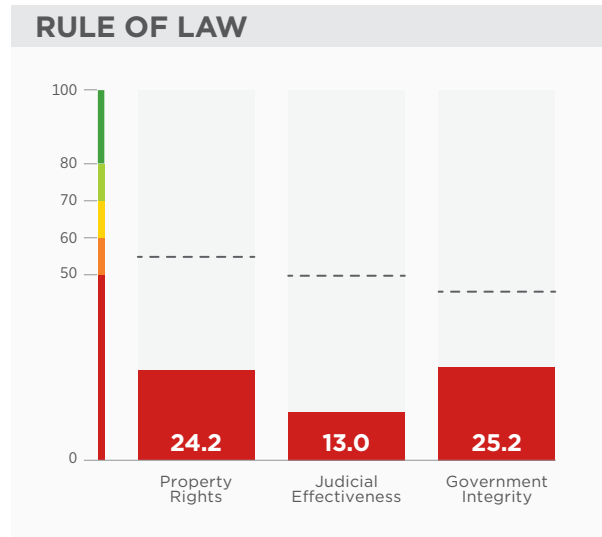
FDI INFLOW:
\$247.5 million

PUBLIC DEBT:
61.1% of GDP

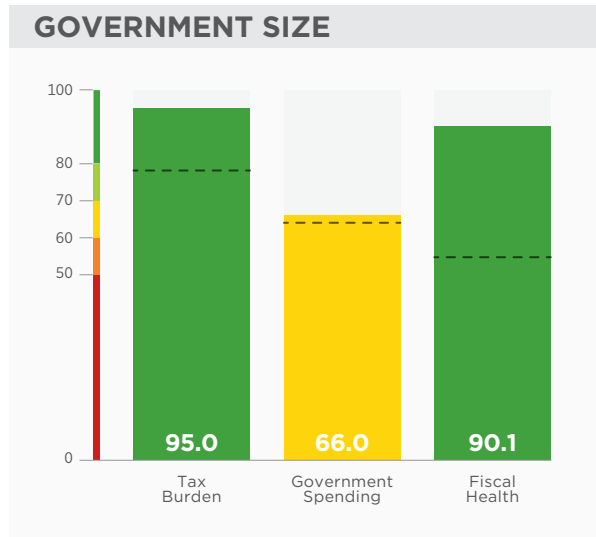
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: Independent since 1991, Kyrgyzstan is plagued by weak governance, organized crime, and corruption. President Sooronbai Jeenbekov resigned in 2020 after protests occasioned by a disputed parliamentary election. In January 2021, Sadyr Japarov was elected to succeed him. The influx of Chinese workers, nontransparent Chinese loans and investment, and government contracts won by Chinese firms have bred political instability. Kyrgyzstan is a member of the Russia-backed Eurasian Economic Union. Its economy depends on gold exports and remittances from Kyrgyzstanis working in Russia and Kazakhstan. Cotton, wool, and meat are the main agricultural products, but only cotton is exported in any quantity.

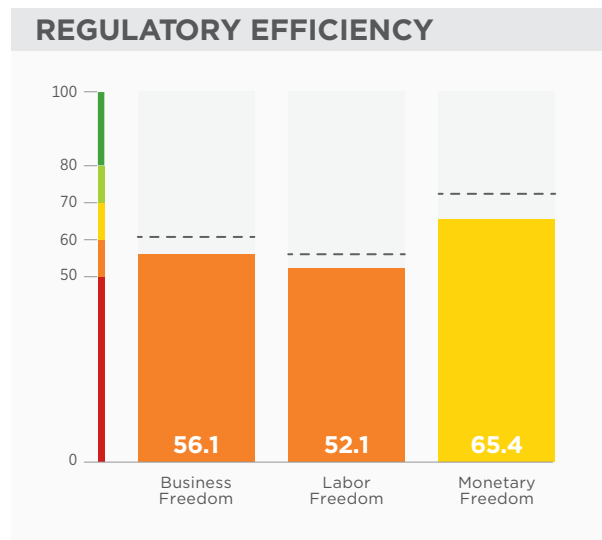
12 ECONOMIC FREEDOMS | KYRGYZSTAN



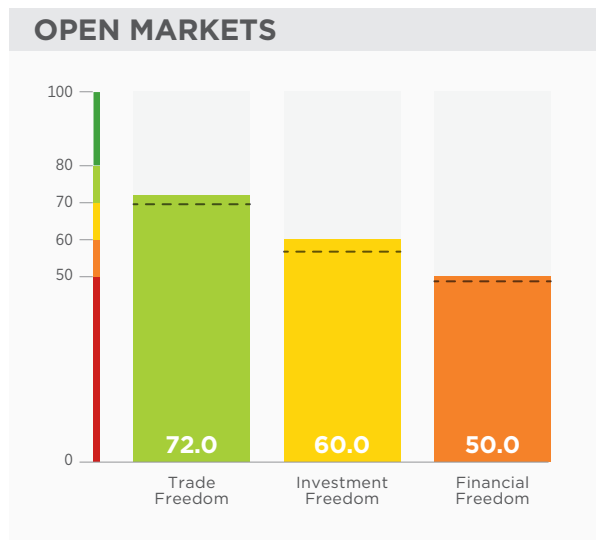
The overall rule of law is weak in the Kyrgyz Republic. The country's property rights score is below the world average; its judicial effectiveness score is below the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are 10 percent. The tax burden equals 17.4 percent of GDP. Three-year government spending and budget balance averages are, respectively, 33.7 percent and -1.2 percent of GDP. Public debt equals 61.1 percent of GDP.



Bureaucratic impediments to private-sector production and investment still affect the overall regulatory environment. A labor code designed to encourage employment changes in response to free-market conditions has been implemented. Monetary stability has been weak. The most recent available inflation rate is 11.9 percent.



The trade-weighted average tariff rate is 6.5 percent, and layers of nontariff measures are in force. The overall investment climate is subject to considerable risk and uncertainty. The financial sector, dominated by banking, is underdeveloped and lacks effective regulatory infrastructure. Credit costs remain high.